

# United States Senate

WASHINGTON, DC 20510

June 8, 2010

The Honorable Gary Locke  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Locke:

We are writing to express our concern over the Department of Commerce's delay of its decision regarding whether to investigate China's currency manipulation in the coated paper from China countervailing duty investigation.

On September 23, 2009, NewPage Corporation, Appleton Coated, and Sappi Fine Paper North America, along with the United Steelworkers, filed with the Department of Commerce a countervailing duty petition covering certain coated paper from China. The petition alleged that Chinese producers and exporters of coated paper benefit from various large government subsidies, as well as tax incentives and subsidized loans. Among the most harmful of the government subsidies is China's massive undervaluation of its currency, the renminbi, which is estimated to be undervalued by as much as 40 percent. In January of this year, this allegation was enhanced to cover specificity issues, and an economic study was submitted to show that currency undervaluation disproportionately benefits exporters of manufactured goods from China.

On March 2, the Department of Commerce announced its preliminary determination in the coated paper countervailing duty case but did not act on the U.S. producers' subsidy allegation covering China's undervalued currency, stating that it needed more time to review the allegation. This was three months ago and we understand the Department of Commerce still has not made its decision. A similar allegation has been filed in the Aluminum Extrusions countervailing duty case, and has not been acted on. This also affects producers in our states and causes job losses.

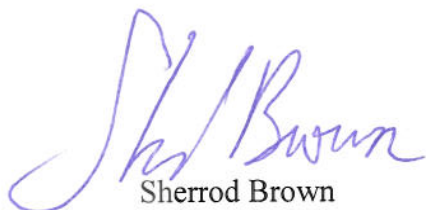
While the Department of Commerce delays its decision, American jobs are being lost. NewPage Corporation and Appleton Coated have been forced to lay off workers, close facilities, and take temporary shut downs as a result of China's unfair trade practices. The U.S. paper producers' allegation merely seeks for China's currency practices to be examined; the implementation of duties based on China's currency undervaluation would only be determined at the end of a thorough investigation by Commerce officials. With the final determination in the coated paper case due in September of this year, time is running short.

From all reports, the progress on currency issues in the U.S.-China Strategic and Economic Dialogue appears very limited, but even if there was any progress this would not affect the

necessity of beginning CVD investigations on this issue. Despite the nearly unanimous agreement that the renminbi is significantly undervalued with respect to the dollar and that it results in a competitive advantage for Chinese exporters and undercuts the U. S. job base, no action has been taken against this distortive and harmful trade practice.

In order to achieve the President's worthy goal to double U.S. exports in five years, the U.S. must do everything it can to enforce the trade laws. The time for delay is over. We owe it to our paper companies and their workers to use the tools at our disposal to ensure that trade is conducted on a fair basis, free of dumping and huge government subsidies. We would appreciate your swift attention on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sherrod Brown".

Sherrod Brown  
United States Senator

A handwritten signature in blue ink, appearing to read "Charles E. Schumer".

Charles E. Schumer  
United States Senator